

## **INSERT FOR PAGE 100, LINE 2443**

There are multiple factors that could have an impact on the allowance rates in the Ohio DDS. Relying on allowance rates alone, however, can be extremely deceptive. Over the years, SSA has found that a number of factors account for some of the State-to-State differences in allowance rates.

We have found a strong correlation that States with high filing rates tend to have low allowance rates and vice-versa. Ohio is among the 10 states with the lowest allowance rates in the nation. These states typically have a higher level of poverty and lower paying jobs (e.g., service-oriented jobs, industrial type jobs). Ohio and its surrounding states (KY, WV, MI) fall in the industrial category—with high levels of filing rates, lower allowance rates, but high level of overall awards (disability beneficiaries) per resident population. For example, in Ohio, the FY 2005 filing rate was 10.22 per 1,000 population and in New Jersey it was 5.47 per 1,000. As a result, Ohio's low allowance rate (28.3 percent) produced more final awards (3.31 awards per 1,000) than New Jersey's higher allowance rate (48.6 percent) contributed (2.70 awards per 1,000).

The workload mix or proportions of Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims can also have an effect because SSI claims are historically allowed at lower rates than SSDI claims. Therefore, we would expect a State with proportionally more SSI claims than another State to have a lower allowance rate. The Ohio DDS has a higher proportion of SSI and concurrent claims as compared to other States such as New Hampshire, Wyoming, and Utah, which have higher allowance rates.

Other factors such as economic conditions, demographics, unemployment rates, and health care availability affect claim filing rates and allowance rates. The SSI and concurrent claims typically represent the lower paid workers who are most vulnerable during downturns in the economy. One could hypothesize that these are the people on the fringes. They work in low paying jobs and change employers and are out of work often. When they have jobs, they go to work. When they don't have jobs, they file for public assistance. Many of these people are referred to SSA to file for disability benefits. For example, in the State of Ohio, when an individual wishes to apply for Medicaid, they are required to apply for Federal disability benefits with SSA before they can file the Medicaid application. The requirement applies even to individuals who do not allege they have a medical impairment. The Ohio Disability Financial Assistance (DFA) program requires that individuals apply for Social Security disability benefits as a condition of DFA eligibility. These applications result in technical denials or claims the DDS must review but ultimately deny.